

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

70781

Agenda Number

52.

Meeting Date:

June 15, 2017

Department:

Purchasing

## Subject

Authorize negotiation and execution of a 36-month contract with THE SOLUTION DESIGN GROUP, INC., to provide system analysis and documentation of Aviation CIP accounting and financial management processes and financial management software as a service, training, support, and related professional services, in an amount not to exceed \$265,080.

## Amount and Source of Funding

Funding in the amount of \$154,750 is available in the Fiscal Year 2016-2017 Capital Budget of the Aviation Department. Funding in the amount of \$12,259 is available in the Fiscal Year 2016-2017 Operating Budget of the Aviation Department. Funding for the remaining 33 months of the original contract period are contingent upon available funding in future budgets.

## Fiscal Note

A fiscal note is attached.

Purchasing  
Language:

Sole Source

Prior Council  
Action:

For More  
Information:

Inquiries should be directed to the City Manager's Agenda Office, at 12-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov) or to the buyer, Sai Xoomsai Purcell, at 512-974-3058 or [Sai.Xoomsai@austintexas.gov](mailto:Sai.Xoomsai@austintexas.gov)

Boards and  
Commission  
Action:

May 9, 2017 – Recommended by the Airport Advisory Commission on a 7-0 vote, with Commission Members Tegeler and McDaniel absent.

Related Items:

MBE / WBE:

Sole source contracts are exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established.

## Additional Backup Information

The contract will provide system analysis and documentation of Aviation CIP accounting and financial management processes and CapitalVision® financial management software as a service, training, support, and related professional services. This software solution has been designed specifically for the financial management of large capital programs that typically involve multiple funding sources such as Federal Aviation Administration (FAA) Airport Improvement Program grants, general airport revenue bonds, and user fees such as passenger facility charges.

The software is a patented solution (US Patent # 8,478,626 B2) related to the methods and technology used to calculate and allocate capitalized interest income and expense and is the only solution on the market with this capability.

The Solution Design Group, Inc. is the developer and sole provider of CapitalVision® software and retains the exclusive right for training and support services related to its solution.

A one-year proof-of-concept was conducted with Solution Design Group, Inc. during Fiscal Year 2016 resulting in this new contract to continue development and systems analysis, documentation and design to provide the Aviation Department with a complete and streamlined system for capital project expense tracking and a reporting project fund activity and balances. Project reporting and FAA grant reimbursement information is currently assimilated from disparate sources.

Upon completion of the system analysis, documentation and design in Phase 1 of the contract, recommendations to supplementing or enhancing the City's financial systems will be developed in Phase 2. Phase 3 including possible implementation of the CapitalVision system will be evaluated by City Aviation, Financial Services and information technology staff to ensure integrity of the City's financial systems of record.

Currently, the capitalized interest for airport revenue bonds is calculated and tracked manually on multiple spreadsheets. The accurate tracking and calculation of capitalized interest is a critical component to the calculation of airport rates and charges and the recovery of costs associated with airport improvements. CapitalVision® provides the Aviation Department with a streamlined system for expense tracking and a single location for reporting on project expenses.

Failure to procure this service and system will increase administrative overhead of the Aviation Department and potentially cause delay in obtaining the necessary information.